

***CRIMSON METAL ENGINEERING COMPANY LIMITED***

*Annual Report  
and Accounts for the year ended  
31st March 2014*

**30**

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

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CIN No. L27105TN1985PLC011566

**BOARD OF DIRECTORS**

Shri. Vinay Goyal (Managing Director)  
Shri. S.N. Seshadri (Whole-time Director)  
Shri. A.J. Menon (Director)  
Shri. Rama Iyengar Srinivasa Chari (Director)  
Shri. Krishan Chand Batra (Director)  
Shri. Mahabir Singh (Director)  
Shri. Ramkishan Yadve (Whole Time Director)

**AUDITORS**

M/s. Abhay Jain & Co.,  
Chartered Accountants,  
Bushra House, Flat A-4, 2nd Floor,  
6/46, Nowroji Road, Chetpet,  
Chennai - 600 031.

**REGISTERED OFFICE**

“K Sons Complex”  
163/1,Prakasam Road,  
II Floor,  
Chennai - 600 108.

**WORKS - TUBE MILL DIVISION**

Sedarpet Industrial Estate  
Mailam Road, Pondicherry 605 111.

**WORKS - FLAT PRODUCTS DIVISION**

Karasur Village,  
Villianur Commune, Pondicherry.

**SHARE TRANSFER AGENTS**

M/s. Cameo Corporate Services Ltd.,  
“Subramanian Building”  
1, Club House Road,  
Chennai - 600 002.  
Ph : 28460390, 28460391  
Fax : 044-28460129.

## CRIMSON METAL ENGINEERING COMPANY LIMITED

CIN: L27105TN1985PLC011566

163/1 PRAKASAM ROAD, BROADWAY, CHENNAI.600 108

NOTICE is hereby given that the 30<sup>th</sup> Annual General Meeting of Crimson Metal Engineering Company Limited will be held at Andhra Chamber of Commerce Velagapudi Ramakrishna Bldg, 23, Third Cross Street, West C.I.T Nagar, Nandhanam, Chennai- 600 035 on Monday, 29<sup>th</sup> day of September 2014 at 10 A.M. to transact the following business.

### ORDINARY BUSINESS

#### 1. Adoption of Annual Accounts

To receive, consider and adopt the audited Profit & Loss Account for the year ended March 31, 2014, the Balance sheet as on that date and the reports of the Auditors and Directors thereon.

#### 2.Appointment of Mr.Narayanamurthy Seshadri as a Director

To appoint a Director in the place of Mr. Narayanamurthy Seshadri, who retires from office by rotation and being eligible offers himself for reappointment.

“**RESOLVED THAT**, pursuant to section 152(6) of the Companies Act, 2013, Mr.Narayanamurthy Seshadri (DIN 02927049), be and hereby reappointed as a director of the Company and shall continue in the office of the Whole-time Director, till the expiry of the period of his tenure, as per his original terms of appointment, on the same terms and conditions, mentioned therein.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### 3.Appointment of M/s Abhay Jain & Co. Chartered Accountants as statutory Auditors

To appoint M/s. Abhay Jain & Co. Chartered Accountants as statutory auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the 34th AGM and to fix their remuneration and to pass the following resolution thereof.

“**RESOLVED THAT**, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s.Abhay Jain & Co. Chartered Accountants, be and are hereby appointed as the auditors of the company, to hold office from the conclusion of this AGM to the conclusion of the 34th AGM and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors.

### SPECIAL BUSINESS

#### 4. Appointment of MrJanarthanan Atashary Karunakaran Nayar (A J Meon)as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

“**RESOLVED THAT**, pursuant to the provisions of Section 149, 150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr.Janarthanan Atashary Karunakaran Nayar (A J Meon) (holding DIN 02872797)Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director , be and is hereby appointed as an independent Director of the Company to hold office upto March 31<sup>st</sup> 2019, not liable to retire by rotation.

#### 5. Appointment of Shri. Ramaiyengar Chari as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

“**RESOLVED THAT**, pursuant to the provisions of Section 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under ( including any statutory modification thereof for the time being in force ),read with Schedule IV of the Companies Act 2013 Shri. Ramaiyengar Chari (holding DIN 2609348), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director , be and is hereby appointed as an independent Director of the Company to hold office upto March 31<sup>st</sup> 2019, not liable to retire by rotation.

#### 6. Appointment of Shri. Mahabir Singh Sehrawat as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

“**RESOLVED THAT**, pursuant to the provisions of Section 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under ( including any statutory modification thereof for the time being in force ),read with Schedule IV of the Companies Act 2013 Shri. Mahabir SinghSehrawat(holding DIN 01196310), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an independent Director of the Company to hold office upto March 31<sup>st</sup> 2019, not liable to retire by rotation.

### **7. Appointment of Shri. Krishan Chand Batra as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

**“RESOLVED THAT**, pursuant to the provisions of Section 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under ( including any statutory modification thereof for the time being in force ),read with Schedule IV of the Companies Act 2013 Shri. Krishan Chand Batra(holding DIN 00906402), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director , be and is hereby appointed as an independent Director of the Company to hold office upto March 31<sup>st</sup> 2019, not liable to retire by rotation.

### **8. Approval of Borrowing Limit**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution

**“RESOLVED THAT**, pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's bankers in the ordinary course of business, shall not be in excess of Rs. 100 Crores(one hundred Crores ) over and above the aggregate of the paid up share capital and free reserves of the Company.

### **9. Authorization Under Section 180(1)(a) of the Companies Act, 2013**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution

**“RESOLVED THAT**, pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to mortgage and / or charge, in addition to the mortgages and / or charges created / to be created by the Company, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may determine, all or any of the movable and / immovable, tangible and / or intangible properties of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour

of the lender(s), agent(s), trustee(s) for securing the borrowings of the Company availed / to be availed by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures or bonds or other debt instruments issued / to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013, together with interest at the respective agreed rates, liquidated damages, commitment charges, all other costs, charges and expenses and all other monies payable by the company in terms of loan agreement(s) or any other document entered into / to be entered into between the company and the lender(s) in respect of the said loans / borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors and the lender(s).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or Committee thereof be and is hereby authorized to finalise, settle and execute such documents / deed / writings / agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to create mortgage / charge as aforesaid and also to delegate all or any of the above powers to the committee of directors or the Managing Director of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.

### **10. Adoption of New Articles of Association**

To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013, and in this regard it is to consider and if thought fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION:

**“RESOLVED THAT**, pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with companies Rules, 2014 (including statutory modification (s) or re-enactments thereof, for the time being in force) the draft regulation contained in the Articles of Association submitted to this meeting be and is hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

**By and on behalf of Board of Directors  
forCrimson Metal Engineering Company Limited  
Sd/  
Shri Vinay Goyal  
Managing Director**

Place: Chennai

Date: 14.08.2014

**NOTES:**

1. A MEMBER TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF THE PROXY NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be filed with the Company at this Registered Office no later than forty-eight hours before the commencement of the meeting.
2. The Instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

3. The Register of Members and Transfer Books of the Company will remain closed from Friday, 26<sup>th</sup>September to Monday, 29<sup>th</sup>September, 2014(both days inclusive) for the purpose of Annual General Meeting.
4. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
5. The information on the Directors appointment or re-appointment is provided as per clause 49 of the Listing Agreement is given below.
6. Information Pursuant to Clause 49 of the Listing Agreement for Appointment / Re-appointment of Directors.

Particulars	Item No 2	Item No 4	Item No 5	Item No 6	Item No 7
Name of the Director	Mr.Narayana-murthy Seshadri	MrJanarthanan Atashary Karunakaran Nayar (A J Meon)	Shri Ramaiyengar Chari	Shri Mahabir Singh Sehwat	Shri KrishanChand Batra
Date of Appointment	08/11/2003	28/02/2003	10/03/2003	12/11/2010	12/11/2010
Qualifications	B.Tech	Diploma in Business Management	MA	B.Sc	B.A
Experience in Specific Functional Area	More than 41 Years of Experience in Industrial area, Especially over 21 years of Experience in Pipe industry	More than 33 Years. Fellow Member of British Institute Of Management Past Chairman of the Planters Association	Retired Chief Secretary of Pondicherry	Retired Assistant Commissioner Of Police (NewDelhi)	Expertise in Business
Directorships Held in other Companies	Nil	Nil	Sri Jaganmohini Systems Private Limited	Nil	Indo Asia Private Limited
Committee Chairmanship / Membership Held in other Companies	Nil	Nil	Nil	Nil	Nil
Number of Shares held in the Company as on 31 <sup>st</sup> March 2014	80	1392856	Nil	Nil	40

7. With effect from 1<sup>st</sup> April 2014, inter alia, provisions of Section 149 of the Companies Act, 2013 has been brought into force. In terms of the said section read along with section 152(6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors. Profile of directors seeking re-appointment as stipulated in terms of Clause 49 of the listing agreement with the stock exchanges is provided in the report on Corporate governance, which forms an integral part of the annual report.

8. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a Green Initiative in Corporate Governance and allowed Companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email addresses for the said purpose. Hence Members are requested to register their e-mail addresses with the Company by sending their details relating to name, folio no./DP Id/Client Id to the company's email id : premnkb@gmail.com

9. Shareholders / Proxy holders are requested to bring their copy of the annual report with them at the meeting and to produce at the entrance the attached admission slip duly completed and signed for the admission to the meeting hall.

10. Members desirous of getting any information about the accounts and operation of the company are requested to address their query to the company at the registered office of the company well in advance so that the same may reach at least Seven days before the date of meeting to enable the management to keep the required information readily available at the meeting.

11. Members are requested to notify immediately any change in their address to the Registrar and Share transfer Agent –

**M/s. Cameo Corporate Services Ltd., "Subramanian Buildings", 1, Club House Road, Chennai-600 002.**

12. Members who hold shares in physical form are requested to dematerialize their holdings to make the Company's shares traded in normal segment.

13. Electronic copy of the AGM Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication

purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form is being sent in the permitted mode.

#### 14. Voting through Electronic Means

In compliance with provisions of Section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer E-Voting facility as an alternate, for its shareholders to enable them to cast their votes electronically at the 30th Annual General Meeting (AGM) through e-voting service provided by Central Depository Services (India) Limited. E-Voting is optional. The procedure and instructions for the same are as follows: **The Company will provide the e-voting facility through CDSL. The e-voting particulars are set out below:**

**The instructions for members for voting electronically are as under:-**

##### **In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "Crimson Metal Engineering Company Limited" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

PAN*	<p><b>For Members holding shares in Demat Form and Physical Form</b></p> <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b>.</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for Crimson Metal Engineering Company Limited

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins at 09.00 AM on Tuesday the 23rd September 2014 and ends at 05.00 PM on Thursday 25th September 2014.

During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29<sup>th</sup> August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).

Please note that by virtue of providing the e-voting facility by the company as per Rule 20 of Companies (Management and Administration) Rules, 2014 the following will be applicable:

(i) The manner of voting for the members being present in the General Meeting will be on “proportion principle” ie one share – one vote unlike one person one vote principle, further provision of the Companies Act, 2013 relation to demand for poll will not be relevant.

(ii) The option of voting by show of hands will not be available for members presenting the General Meeting in view of clear provision of section 107 of the Companies Act, 2013, ie. voting by show of hands would not be allowable in cases where Rule 20 of Companies (Management and Administration) Rules, 2014 is applicable.

(iii) Any member who has voted through e-voting facility provided by the company may also participate in the General Meeting in person, but such a member will not be able to exercise his vote again in the meeting, and the earlier vote casted through electronic means will be treated as final.

15. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 in respect of Special Business(s) is attached herewith.



**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No.4 to 7**

Your Board is of the Opinion that all the Independent Directors mentioned in Item Nos 4 to 7 fulfill the Conditions specified in the Act for appointment as Independent Directors of the Company. Details in Respect of Directors who are proposed to be appointed as Independent Directors, are furnished in the Corporate Governance section of the Annual Report. All are eminent personalities in their respective fields. Your Board Considers that their continued association with the Company would be of immense benefit to the Company. In View thereof, your Board has recommended them to be classified as Independent Directors.

The Classification of the aforementioned directors also as Independent Directors pursuant to Section 149 of the Companies Act, 2013 read with Rules made thereunder, with their respective term of Office to be for a period of upto five years with effect from 1<sup>st</sup>April , 2014.

Concerned Directors are interested in their respective resolutions being related to their own appointments. Other than the aforesaid, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolutions as set out in Item Nos.4 to 7 of the accompanying notice. None of the Directors are related inter se to each other.

**Item No 8 & 9**

In order to meet the requirements of Section 293 (1) (d) and 293 (1) (a) of the Companies Act, 1956 the shareholders authorized the Company to borrow sums in excess of paid capital and free reserves of the Company subject to a ceiling of Rs.100 Cr. (other than temporary borrowings).

Section 180 of the Companies Act, 2013 (notified as on September 12, 2013) mandates that the aforementioned powers of the Board shall be exercised only through Special Resolution passed in the meeting of shareholders as compared to the requirement of ordinary resolution under the previous Act. Further the Ministry of Corporate Affairs vide its circular no.04 /2014 dated 25/03/2014 have stated that the resolution passed under section 293 of the Companies Act, 1956 , prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act.

Consequently, the Board recommends to the shareholders to pass a special resolution under Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013, without altering the borrowing limits already approved by way of general resolution passed earlier.

Accordingly, the proposed resolution is placed before the shareholders for their approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution

**Item 10**

The existing AoA of the Company is based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act 2013 ("The Act").

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is

considered expedient to wholly replace the existing AoA by a new set of Articles.

The proposed new draft AoA is would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution as set out in Item No.10 of the Notice.

The Board recommends the Special Resolution as set out in Item No. 10 of the Notice for approval by the shareholders.

**By and on behalf of Board of Directors  
Sd/**

**Shri Vinay Goyal  
Managing Director**

Place: Chennai  
Date: 14.08.2014

## Crimson Metal Engineering Company Limited

CIN No. L27105TN1985PLC011566

Regd. Office : 163/1, Prakasam Road,  
II Floor, Chennai - 600 108.

### DIRECTORS REPORT

Your directors have the pleasure in presenting the 30<sup>th</sup> Annual Report and that of the Auditors together with the audited Balance Sheet as at 31<sup>st</sup> March 2014 and profit and loss account for the year ended on that date.

#### PERFORMANCE

The financial results for the year ended 31<sup>st</sup> March 2014 are as under:

(Rupees in lakhs)

	31.03.2014	31.03.2013
INCOME	6280.53	11844.71
EXPENDITURE	5811.89	11315.12
EBITDA	468.63	529.59
PBT	93.44	120.60
PAT	62.89	97.20

#### COURSE OF BUSINESS AND OUTLOOK

Your company had achieved a turnover of Rs. 628,053,482 as compared to the turnover of Rs. 1,184,471,241 in the previous year. The profit before tax was Rs. 9,344,405 as compared to profit of Rs. 12,060,778 last year. With continued confidence of all our associates, we will aggressively meet all the challenges with renewed faith in our company and the future that we all share.

#### DIVIDEND:

In order to stream line Company's business model, the board of directors have decided not to declare any dividend for the current fiscal. The profits, retained by the company during the financial year 2013-14, has been carried over to the Reserves and Surplus Account.

#### DIRECTORS:

The Company has, pursuant to the provisions of Companies Act, 2013 and clause 49 of the Listing Agreement entered into with the Stock Exchange, as amended from time to time, appointed **Mr Janarthanan Atashary Karunakaran Nayar (A J Meon), Shri. Ramaiyengar Chari, Shri. Mahabir Singh Sehrawat and Shri. Krishan Chand Batra** as Independent Directors of the Company. The Company has received declarations from the appointee independent directors, that they meet the criteria of independence, as prescribed both under sub-section (6) of Section 149 of the Companies Act 2013 and under the said clause 49. In accordance with the provisions of section 149(4) and section 152 (5) of the Companies Act, 2013, the above persons are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming AGM of the Company.

Mr. Narayanamurthy Seshadri retire by rotation and being eligible offer himself for re-appointment.

### AUDITORS

The auditors of the company M/s Abhay Jain & Co., Chartered Accountants retire at the conclusion of the meeting and are eligible for reappointment. The auditors have expressed their willingness to continue in office if they are reappointed. Your Board recommends their reappointment.

#### PARTICULARS OF EMPLOYEES AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956:

None of the employees fall under the category specified under Sec.217 (2A) of the Companies Act, 1956 and the Rules thereunder.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE INFLOW & OUTGO:

Prescribed particulars under Section 217(1)(e) of the Companies Act, 1956 are furnished as Annexure to this Report.

#### EXPORTS, INITIATIVES TAKEN TO INCREASE EXPORTS; DEVELOPMENT OF NEW EXPORT MARKETS FOR PRODUCT AND SERVICES AND EXPORT PLANS:

The company has done export in a small by way of deemed export for Rs.78,11,363.

#### FOREIGN EXCHANGE EARNINGS/OUTGO:

Foreign Earnings : Nil  
Foreign Outgo : Nil

#### DIRECTOR'S RESPONSIBILITY STATEMENT:

Directors hereby declare:

- That in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation related to material departures.
- That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company at the end of the financial period and of the profit and loss of the company for that period.
- That the directors have taken proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities subject to the inherent limitations that should be recognized in weighing the assurance..

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

- That the directors had prepared the annual accounts on a going concern basis.

**EMPLOYEE RELATIONS:**

Employee relations throughout the company were harmonious. The board wishes to place on record its sincere appreciation of the devoted efforts of all employees in advancing the company's vision and strategy to deliver another record performance.

**CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION ANALYSIS REPORT:**

A report of Compliance Of Corporate Governance, pursuant to clause 49 of the Listing Agreement, as on 31.03.2014 duly certified by the auditors of the company and the Management Discussion Analysis report is annexed.

**COMPLIANCE CERTIFICATE:**

In accordance with Section 383A of the Companies Act, 1956, and Companies (Certificate) Rules, 2001, the

company has obtained a certificate from a Company Secretary in whole time practice, confirming that the company has complied with all the provisions of Companies Act, 1956.

**ACKNOWLEDGEMENT:**

Your directors would like to express their grateful appreciation for the support and co operation of all stakeholders ,including company's bankers, Government authorities etc.

Your directors also wish to thank the executives, staff & workers at all levels of the company.

**For and on behalf of the Board**

Sd/-

Sd/-

**Vinay Goyal**  
Managing Director

**S.N.Seshadri**  
Whole Time Director

Place: Chennai  
Date: 14.08.2014

**Annexure A**

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

During the year under report, Company has consumed energy detailed below:-

	Current Year	Previous Year
1. Electricity		
Purchase Units	31,11,180	53,82,274
Rate/unit	Rs. 6.39	Rs.4.64
Total Cost	Rs.1,98,70,936	Rs.24963404
Own Generated Diesel:	18,71,844	17,61,598
2. Fire Wood	-	71,20,586
3. FURNACE OIL( in Lts )	2,62,736	6,01,545
Total Cost	2,17,42,780	3,38,45,588
<b>B.CONSUMPTION PER UNIT OF PRODUCTION</b>		
Production	30,926	43,291
Electricity	100.6	124.33
Furnace oil	38.15	32.76
<b>C. TECHNOLOGY ABSORPTION:</b>	NIL	NIL

**Annexure – B to the Directors' Report  
MANAGEMENT DISCUSSION AND ANALYSIS**

**MANAGEMENT DISCUSSION AND ANALYSIS**

I Crimson Metal Engineering Company Ltd is in to steel industry. Our Company has survived the toughest period in the industry and that's why it's identity in the industry is well established.

**II. Performance Review**

The company had achieved a turnover of Rs.62,80,53,482 as compared to the turnover of Rs. 11,84,71,241 in last year and made a profit of Rs. 93,44,405 as compared to profit of Rs. 1,20,60,778 in the previous year.

**III. Risks & Concerns**

The main risk to which the company is exposed to is the fluctuation in the Raw material prices and the competition from the various competitors. During the course of year the company has broad based its operations. This, we believe will strengthen the company to weather any unforeseen volatility in its operations.

**IV. Internal Control Systems**

The company is planning further to strengthen its internal control systems and procedures commensurate with the size and nature of its business. The company has an Audit Committee comprising of Non Executive Directors to monitor the functioning.

**V. Cautionary Statement:**

Statement in the management discussion, corporate governance report prescribing the company's objective and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic demand/ supply and price conditions in the domestic/ international markets, change in government regulations, tax laws, other statutes and incidental factors.

**Annexure – C to the Directors' Report**

**CORPORATE GOVERNANCE REPORT**

Corporate Governance refers to the manner, in which a company is directed, and laws and custom affecting that direction. It includes the manner in which company operates under various laws governing it, the bye laws established by itself for its operations and the distribution of rights and responsibilities primarily among directors and managers. The fundamental concern of corporate Governance is to ensure conditions whereby a company's directors and managers act in the interest of the company.

Crimson Metal Engineering Company Ltd is committed to highest standards of corporate Governance in all its activities.

**I. Board of Directors**

The board comprises of 7 members – 3 executive director and 4 non – executive directors, of which 4 are independent. There was no change in the directors during the year under review.

**Board Meetings & Attendance of Directors**

A total of 4 board meetings held during the year on the following 30<sup>th</sup> May 2013, 14 August 2013, 14 November 2013, 7<sup>th</sup> February 2014.

The Annual General Meeting was held on 24<sup>th</sup> September 2013.

The Names of Board Members, their attendance at Board Meetings and Board Committee Memberships held during the year are given below:-  
during the year are given below:-

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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Name of Director	Category	Attendance Particulars		Number of Directorships in other Public companies and Committee Members / Chairmanships		
		Board Meetings	Last AGM (Yes/No)	Other Directorships	Committee Memberships (other than Crimson)	Committee Chairmanships (other than Crimson)
Shri. Vinay Kumar Goyal	(Managing Director – Executive)	4	No	Nil	Nil	Nil
Shri.S.N. Seshadari	Whole-time Director (Executive)	4	Yes	Nil	Nil	Nil
Shri.A.J. Menon	Non Executive - Non Independent Director	Nil	No	Nil	Nil	Nil
Shri.Rama Iyengar Srinivasa Chari	Non-executive Independent Director	4	Yes	Nil	Nil	Nil
Shri. Mahabir Singh	Non-executive Independent Director	4	No	Nil	Nil	Nil
Shri. Krishan Chand Batra	Non-executive Independent Director	4	No	Nil	Nil	Nil
Shri. Ramkishan Yadve	Whole Time Director (Executive)	4	Yes	Nil	Nil	Nil

**Code of Conduct**

The Board of directors has implemented a Code of Conduct applicable to all directors and employees.

**II. AUDIT COMMITTEE**

**I. Terms of Reference**

The audit committee of the company has been mandated with the same terms of reference as specified in Clause 49 of the Listing Agreements with stock exchanges.

**II. Composition**

The audit committee comprises of 4 Directors, three non-executive independent directors and one executive director namely, Shri.Rama Iyengar Srinivasa Chari, Chairman,

Shri.Mahabir Singh, Member, Shri. Krishna Chand Batra, Member and Shri.Vinay Goyal, Member, who have considerable financial expertise and experience. The Head of Finance and the Statutory Auditors are permanent invitees to the committee.

**III. Attendance**

The committee met four times during the year on 30<sup>th</sup> May 2013, 14 August 2013, 14 November 2013, 7<sup>th</sup> February 2014. and attended by all the members.

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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**IV. NOMINATION & REMUNERATION COMMITTEE**

i. Constitution

The Committee consists of 3 Non-executive and Independent Directors – Shri.Rama Iyengar Srinivasa Chari, Chairman, Shri. Mahabir Singh, Member and Shri. Krishna Chand Batra, Member.

ii. Terms of Reference:

The Remuneration Committee has been constituted to recommend and review the remuneration packages of the Managing, Whole Time Directors, and to formulate a broad policy for management remuneration.

Meetings & Attendance:

During the year under review no meeting was held

Remuneration Policy:

The Remuneration Policy as outlined by the Committee aims at:

- Recognizing and rewarding performance and achievements.
- While fixing the remuneration of Directors, their contribution by way of their professional services as directors, towards the growth of the Company.

This policy is in tune with current national and international practices.

The details of the remuneration paid to the Directors during the financial year 1.4.2013 to 31.3.2014 are given below:

Names of Directors	Basic Salary & Perquisites (Rs.)	Sitting Fees(Rs.)	As on 31.3.2014		Relationship with other Directors
			No. of Shares Held	% of Holding	
Mr. S.N. Seshadari	2,75,472	Nil	80	0.001807	Nil
Mr. Vinay Goyal	18,00,000	Nil	455821	10.29385	Nil
Mr.A.J. Menon	Nil	Nil	1392856	31.4541	Nil
Mr. Rama Iyengar Srinivasa Chari	Nil	Nil	80	0.001807	Nil
Mr. Mahabir Singh	Nil	Nil	Nil	Nil	Nil
Mr. Krishan Chand Batra	Nil	Nil	40	0.000903	Nil
Mr. Ramkishan Yadve	2,21,328	Nil	Nil	Nil	Nil

No sitting fee is paid to the Non-executive Directors. Further the company has not entered into any pecuniary relationship or transactions with the Non-executive directors.

**V. STAKEHOLDERS RELATIONSHIP COMMITTEE**

A Stakeholders relationship Committee has been constituted by the Board to monitor the redressal of the shareholder's/ investors grievances. The committee reviews the status of complaints received from shareholders/investors and redressal thereof. A status report of shareholders complaints and redressal thereof is prepared and placed before the shareholders/ Investors Grievance Committee.

During the year under review the Company has received one investor complaint and resolved the same within the stipulated period.

Constitution

The Committee consists of 3 Directors namely, Shri.Mahabir Singh, Chairman, Shri. Vinay Goyal, Member and Shri.S.N.Seshadri, Member.

Shri. S.N Seshadri is the Compliance Officer of the Company

**VI. STAKEHOLDERS RELATIONSHIP COMMITTEE**

A Stakeholders Relationship Committee has been constituted by the Board comprising of Shri.Mahabir Singh, Chairman, Shri. Vinay Goyal, Member and Shri.S.N.Seshadri, Member, to look into matters relating to share transfers, transmission, issue of duplicate share certificates, etc. 4 meetings were held during the financial year under review. As on 31.03.2014 no shares transfers are pending for transfer for more than 15 days.

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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**VII. GENERAL BODY MEETINGS.**

I. Annual General Meetings held during the last three years are as under:

Financial Year	Location	Date and Time	No. of Special Resolution passed
2010-2011	Andhra chamber of Commerce 23, 3 <sup>rd</sup> Cross Street, Chennai-35	30/09/11 10.00 a.m	Reappointment of Mr A.K.Das and Mr S.N.Seshadri as Whole Time Directors of the Company Nil
2011-2012	Andhra chamber of Commerce 23, 3 <sup>rd</sup> Cross Street, Chennai-35	28/09/12 10.00 a.m	Nil
2012-2013	Andhra chamber of Commerce 23, 3 <sup>rd</sup> Cross Street, Chennai-35	24/09/13 10.00 a.m	Nil

II. Extra Ordinary General Meeting held during the year: Nil

III. Postal Ballot

During the financial year under review, no postal ballots were used for voting at meetings. At the ensuing AGM there is no item on the agenda that is required to be passed by postal ballot.

**VIII. DISCLOSURES**

I. Related Party Transactions

There has been no materially significant related party transaction with the company's subsidiaries, promoters, directors, management or their relatives which may have a potential conflict with the interests of the company. Members may refer to the notes to the accounts for details of other related party transactions.

II. Compliance with Regulations

The company has complied with the requirements of the regulatory authorities on capital markets. There have been no instances of non-compliance by the company on any matters related to the capital markets, nor any penalty or stricture been imposed on the Company by Stock Exchange, SEBI or any other Statutory authority during the last three years.

III. Accounting Standards

The company has rigorously followed the accounting standards, laid down by the Institute of Chartered Accountants of India.

IV. Risk Management

The audit committee regularly reviews the risk management strategy of the company to ensure the effectiveness of risk management policies and procedures.

V. Whistle Blower Policy

Steps are being taken to establish a Whistle Blower Policy for the employees of the Company. However at present, every employee of the Company has the right to report to the management, concerns about unethical behaviours, actual or suspected fraud or violation of the Company's Code of Conduct. No employee of the company has been denied access to the audit committee.

**XI. COMMUNICATION APPROACH**

The quarterly financial results are taken on record by the Board of Directors and submitted to Stock Exchanges as per the requirements of the listing agreement and published in the Trinity Mirror(English) and Makkal Kural (Tamil).

The company has its own website, viz., [www.sarbatisteel.com](http://www.sarbatisteel.com) and all vital information relating to the company and its performance including financial results, performance updates etc. are regularly posted on the website under the head "Investors".

**X. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management Discussion and Analysis Report forms a part of the Directors Report.

**XI. GENERAL SHAREHOLDER INFORMATION**

I. Annual General Meeting.

The 30th Annual general meeting will be held on 29th September 2014, at Andhra Chamber of Commerce 23, 3<sup>rd</sup> Cross Street, Chennai-35 at 10.00 a.m.

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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**II. Tentative Financial Reporting Calendar**

Financial Reporting	From	To	Date
1 <sup>st</sup> Quarter	April	June	Second week of August 2014
2 <sup>nd</sup> Quarter	July	September	Second week of November 2014
3 <sup>rd</sup> Quarter	October	December	Second week of February 2015
4 <sup>th</sup> Quarter	January	March	Last week of May 2015
Annual General Meeting	April 2014	March 2015	By 3 <sup>rd</sup> or 4 <sup>th</sup> Week of September 2015

**III. Book Closure**

The date of Book closure is from Friday, 26.09.2014 to Monday, 29.09.2014 (both days inclusive).

**IV. Stock Exchange Listing**

Stock Exchange	Stock Code
Bombay Stock Exchange	526977
Madras / Delhi / Ahmedabad	Applied for/ in the
Stock Exchange Ltd.	process of Delisting

**V. Market price data**

NO TRANSACTIONS REPORTED IN ANY OF THE EXCHANGES

**VI. Registrar & Transfer Agent**

M/s. Cameo Corporate Services Ltd.,  
"Subramanian Building"  
1, Club House Road, Chennai – 600 002.  
Ph: 28460390, 28460391 Fax : 044 – 28460129

**VII Share Transfer System:**

Presently the share transfer documents which are received by the Company/RTA are processed, approved and kept ready for dispatch within 15 days from the date of the receipt.

**VIII Dematerialisation of shares:**

Dematerialisation of shares: The equity shares of the company have been admitted for dematerialisation both by NSDL & CDSL with ISIN NO:INE318P01016

**IX. Shareholding pattern as on 31.03.2014**

Category	No. of Shares Held	Percentage of Share holding
<b>A.PROMOTER HOLDING</b>		
1.Promoters		
Indian Promoters	1742712	39.35%
Foreign Promoters	NIL	
2.Persons acting in concert	NIL	
Sub-Total	1742712	39.35%
<b>B.Non-Promoters Holding</b>		
3.Institutional Investors	NIL	NIL
a. Mutual Funds and UTI	NIL	NIL
b.Banks, financial Institutions, Insurance Companies (central/state Govt.Institutions/Non-government Institutions)	NIL	NIL
c. FIs	NIL	NIL
Sub-Total	NIL	NIL
4. a. Private Corporate Bodies	45040	1.01%
b. Indian Public	582640	13.17%
c. Foreign Corporate Bodies	17040	0.38%
d. NRI	2040775	46.09%
Sub-Total	2685495	60.65%
Grand Total	4428207	100.000%

**Share Distributions Schedule as on 31-03-2014**

Sl. No.	Category of Shares	No. of Holders	%of Holders	Rs.	% of Capital
1	Upto 5000	5336	97.2480	3007200	6.7910
2	5001-10000	72	1.3121	497200	1.1228
3	10001-20000	27	0.4920	400930	0.9054
4	20001-30000	5	0.0911	125200	0.2827
5	30001-40000	7	0.1275	230800	0.5212
6	40001-50000	1	0.0182	41200	0.0930
7	5001-100000	12	0.2186	848800	1.9168
8	100001 and above	27	0.4920	39130740	88.3670
	<b>Total</b>	<b>5487</b>	<b>100.000</b>	<b>44282070</b>	<b>100.0000</b>



**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
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**XII. Registered Office Location**

The company has its Registered. Office at # 163/1, K Sons Complex, II Floor, Broadway, Chennai – 600 108.

**XIII. email Id for Investor Grievance Redressal:**  
investorgrievance@crmetal.in

**XIV.** As per the requirement of the Companies Act, 2013/ Listing Agreement the nomenclature of the various committees constituted has been renamed as under;

Old Name of the Committee	New Name of the Committee
Shareholders/ Investors Grievance Committee Share Transfer Committee	STAKEHOLDERS RELATIONSHIP COMMITTEE
Remuneration Committee	NOMINATION & REMUNERATION COMMITTEE

**XV. Non-Mandatory Requirements:**

**a. Board:** The Company maintains the office of the Chairman at the registered office of the Company.

**b. Nomination & Remuneration Committee:** The Board has duly constituted a Nomination & Remuneration Committee, which determines the remuneration package for the Directors.

**d. Audit Qualifications:** There are no qualifications by the Auditor in the financial statements.

**e. Training of Board members and Mechanism for evaluating non-executive Board members:** Periodical meetings are held with outside skilled consultancy agencies for the Board members to appraise them in recent developments and existing laws and practices.

**f. Whistle blower Policy:** Steps are being taken to formulate the Whistle Blower Policy by the Company

For and on behalf of Board  
Sd/-

Place: Chennai  
Date: 14.08.2014

Vinay Goyal  
Managing Director

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

**CODE OF CONDUCT**

We hereby declare that the code of Conduct for all the members of the Board and senior management of the Company has been posted on the website of our Company at [www.sarbatisteel.com](http://www.sarbatisteel.com) and all Board members and senior management of the company have affirmed compliance of the Code.

For and on behalf of Board

Place: Chennai  
Date: 14.08.2014

Vinay Goyal  
Managing Director

**Annexure – D to the Directors' Report**

**MANAGING DIRECTOR/WHOLE TIME DIRECTOR CERTIFICATION**

Dear Sirs,

In connection with the Audited Financial Results for the Financial Year ended 31<sup>st</sup> March, 2014, we Vinay Goyal, Managing Director and S.N.Seshadri, Whole Time Director certify that

(a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (ii) These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.

(c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

(d) We have indicated wherever required to the auditors and the audit committee

1. significant changes, if any, in internal control over financial reporting during the year;
2. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-  
Vinay Goyal  
Managing Director

Sd/-  
S.N.Seshadri  
Whole Time Director

Place: Chennai  
Date: 14.08.2014

**Auditors' Certificate regarding compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement.**

To  
The Members of  
Crimson Metal Engineering Company Limited  
Chennai

We have examined the compliance of conditions of Corporate Governance by Crimson Metal Engineering Company Limited(the company) for the year ended on 31st March , 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company. In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

With respect to investor grievances, no grievances were received during the year ended 31<sup>st</sup> March,2014 and closing balance of investor grievances is NIL.

We further state that such Compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For ABHAY JAIN & CO.,  
Chartered Accountants  
FRN : 000008S

(A.K. JAIN)  
Partner  
M. No. 70224

Place : Chennai  
Date : 14.08.2014

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF CRIMSON METAL ENGINEERING COMPANY LIMITED REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Crimson Metal Engineering Company Limited (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013
- e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For ABHAY JAIN & CO.,  
Chartered Accountants  
FRN : 000008S

(A.K. JAIN)  
Partner

M. No. 70224

Place : Chennai  
Date : 30.05.2014

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of CRIMSON METAL ENGINEERING COMPANY Limited on the accounts of the company for the year ended 31st March, 2014.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) In our opinion the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.  
(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans from a individual of Rs. 0.31Lakhs covered in the register maintained under Section 301 of the Companies Act, 1956.  
(c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from an individual covered in the register maintained under section 301 of the Companies Act,1956 are not, *prima facie*, prejudicial to the interest of the company.  
(d) The company is regular in repaying the principal amount as stipulated and has been regular in the payment of interest.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeding five lakhs rupees in financial year therefore requirement of reasonableness of transactions does not arises.
6. According to the explanation & information given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the order are not applicable to the Company.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.  
  
(b) According to the information and explanations given to us there were no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty and cess were in arrears as on 31<sup>st</sup> of March, 2014 for a period of more than six months from the date they became payable.
10. The Company has an accumulated loss of Rs225.31lakhs and has not incurred cash loss during the financial year covered by our audit and in the immediate preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments, therefore the provision of this clause of the company auditors' (report) order, 2003 (as amended) is not applicable to the company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has not issue any debenture till date. Hence the Provision of Clause 19 of the paragraph 4 of the order is not applicable to the company.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported to us during the year under report.

For ABHAY JAIN & CO.,  
Chartered Accountants  
FRN : 000008S  
(A.K. JAIN)  
Partner  
M. No. 70224

Place : Chennai  
Date : 30.05.2014

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2014**

PARTICULARS	NOTES	Amount in Rupees	
		March 31 2014	March 31 2013
<b>(I) EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
( a ) Share Capital	2	44,282,070	44,282,070
( b ) Reserves & Surplus	3	(16,242,502)	(22,531,973)
		<b>28,039,568</b>	<b>21,750,097</b>
<b>(2) NON-CURRENT LIABILITIES</b>			
( a ) Long Term Borrowings	4	166,637,807	212,433,080
( b ) Deferred Tax Liabilities (Net)	5	10,139,377	8,816,943
		<b>176,777,184</b>	<b>221,250,023</b>
<b>(3) CURRENT LIABILITIES</b>			
( a ) Short Term Borrowings	6	153,516,814	138,414,396
( b ) Trade Payables	7	98,664,599	71,071,343
( c ) Other Current Liabilities	8	12,749,618	27,056,207
		<b>264,931,031</b>	<b>236,541,946</b>
<b>TOTAL</b>		<b>469,747,782</b>	<b>479,542,066</b>
<b>(II) ASSETS</b>			
<b>(1) NON CURRENT ASSETS</b>			
FIXED ASSETS			
( a ) Tangible Assets	9	153,848,249	155,433,712
( b ) Capital Work in Progress	10	-	-
( c ) Long Term Loans and Advances	11	9,696,289	9,766,289
( d ) Other Non Current Investment	12	33,474	33,474
		<b>163,578,012</b>	<b>165,233,475</b>
<b>(2) CURRENT ASSETS</b>			
( a ) Inventories	13	30,218,016	102,052,295
( b ) Trade Receivables	14	210,467,323	109,114,224
( c ) Cash and cash Equivalents	15	10,536,301	18,383,179
( d ) Other Current Assets	16	23,422,557	43,718,992
( e ) Short Term Loans and Advances	17	31,525,574	41,039,901
		<b>306,169,771</b>	<b>314,308,591</b>
<b>TOTAL</b>		<b>469,747,784</b>	<b>479,542,066</b>
<b>Significant accounting policies</b>	<b>1 &amp; 1.1</b>		

Notes on Financial Statements 2 to 36

As per our report of even date annexed  
for **ABHAY JAIN & CO.**,  
Chartered Accountants

**A.K. JAIN**  
Partner  
M.No. 70224

for and on behalf of the Board

Sd/-  
**VINAY GOYAL**  
Managing Director

Sd/-  
**(S.N.SESHADRI)**  
Whole time Director

Place : Chennai  
Date : 30.05.2014

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014**

PARTICULARS	NOTES	Amount in Rupees	
		March 31 2014	March 31 2013
<b>I. INCOME</b>			
Revenue from Operations	18	615,995,601	1,158,459,543
Other Income	19	12,057,881	26,011,698
<b>Total Revenue</b>		<b>628,053,482</b>	<b>1,184,471,241</b>
<b>II. EXPENSES</b>			
Cost of Raw Materials Consumed	20	433,517,355	942,334,058
Changes in Inventories of Finished Goods	21	21,650,163	(26,464,165)
Payment to Employees	22	37,000,682	49,091,164
Other Expenses	23	89,021,337	166,550,740
<b>Total Expenses</b>		<b>581,189,536</b>	<b>1,131,511,797</b>
<b>III. Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)</b>		<b>46,863,945</b>	<b>52,959,444</b>
Depreciation & amortisation expenses	24	10,247,636	8,887,937
Financial Expenses	25	27,271,904	32,010,730
<b>IV. Profit Before Tax &amp; Exceptional item</b>		<b>9,344,405</b>	<b>12,060,777</b>
<b>V. Exceptional item</b>		-	-
<b>VI. Profit Before Tax</b>		<b>9,344,405</b>	<b>12,060,777</b>
<b>V. Tax Expenses</b>			
<b>Current Tax</b>	<b>26</b>	<b>1,732,500</b>	<b>39,100</b>
Deferred Tax	27	1,322,434	2,300,692
<b>Total Tax Expenses</b>		<b>3,054,934</b>	<b>2,339,792</b>
<b>VI Profit for the year from continuing operations</b>		<b>6,289,471</b>	<b>9,720,985</b>
<b>Earnings per Equity Share</b>			
<b>Basic and Diluted</b>		<b>1.42</b>	<b>2.20</b>

Summary of significant accounting policies 1 & 1.1

Notes on Financial Statements 2 to 36

As per our report of even date annexed

for **ABHAY JAIN & CO.**,  
Chartered Accountants

**A.K. JAIN**  
Partner  
M.No. 70224

for and on behalf of the Board

Sd/-  
**VINAY GOYAL**  
Managing Director

Sd/-  
**(S.N.SESHADRI)**  
Whole time Director

Place : Chennai  
Date : 30.05.2014



**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH 2014**

	Amount in Rupees	
	FY 2013-2014	FY 2012-2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	9,344,405	12,060,778
<b>Non-cash adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation	10,247,636	8,887,937
Interest and finance charges	27,271,904	32,010,730
Exceptional item	-	-
Other income	(12,057,881)	(26,011,698)
<b>Operating Profit before working capital changes:</b>	<b>34,806,064</b>	<b>26,947,747</b>
<b>Movements in working capital:</b>		
Inventories	71,834,279	(39,839,974)
Trade Receivables	(101,353,099)	(28,671,835)
Short Term Loans & Advances	9,514,327	(2,942,307)
Other Current assets	20,366,435	(14,956,927)
Trade Payables	-	-
Other Current Liabilities	28,389,085	45,351,470
<b>Cash generated from Operation</b>	<b>63,557,091</b>	<b>(14,111,826)</b>
<b>Less: Tax Paid</b>	<b>(1,732,500)</b>	<b>(39,100)</b>
<b>Net Cash From /(used in) Operating Activities</b> (a)	<b>61,824,591</b>	<b>(14,150,926)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Other income	12,057,881	26,011,698
Purchase of Fixed Assets	(8,662,172)	(35,376,332)
Revaluation reserve	-	-
Long term loans and advances	-	-
Investment	-	-
<b>Net Cash From /(used in) Investing Activities</b> (b)	<b>3,395,709</b>	<b>(9,364,634)</b>
<b>C. Cash Flow from Financing Activities</b>		
Interest and finance charges	(27,271,904)	(32,010,730)
Proceed from Long Term Borrowing	(45,795,273)	67,705,186
Proceed from Short Term Borrowings	-	-
Share Capital	-	-
Share premium	-	-
<b>Net Cash from Financing Activities</b> (c)	<b>(73,067,178)</b>	<b>35,694,456</b>
<b>NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS (a+b+c)</b>	<b>(7,846,878)</b>	<b>12,178,896</b>
In Cash or Cash Equivalents		
Opening Balance as on 01.04.2013	18,383,179	6,204,283
Closing Balance as on 31.03.2014	10,536,301	18,383,179
	<b>(7,846,878)</b>	<b>12,178,896</b>

Note : Cash and cash equivalent represent Cash & Bank balance.

As per our report of even date annexed

for **ABHAY JAIN & CO.**,  
Chartered Accountants

**A.K. JAIN**  
Partner  
M.No. 70224

Place : Chennai  
Date : 30.05.2014

for and on behalf of the Board

Sd/-  
**VINAY GOYAL**  
Managing Director

Sd/-  
**(S.N.SESHADRI)**  
Whole time Director

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**1.a) CRIMSON METAL ENGINEERING COMPANY LIMITED**

is a Public Limited company. The company incorporated under companies' act 1956 vides RC number L27105TN1985PLCO11566 issued by Register of companies (ROC) Tamilnadu. Its share is listed on stock exchanges in India. The Company is engaged in the manufacturing and selling of Black Pipe (ERW Pipe & G I Pipe) The factory is situated in Pipdic Industrial Estate, Sedarapet Puducherry – 605111.

- b) The financial statements have been prepared in accordance with generally accepted accounting in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards as notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial Statements have been prepared under the historical cost convention on an accrual basis except in case of Land (freehold and leasehold).

**1.1 Summary of significant accounting policies**

**a. Change in Presentation of financial statement:**

During the year ended 31<sup>st</sup> march 2013, the revised schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principals followed for preparation of financial statements, however it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirement applicable in the current year.

**b. Basis of Preparation of Financial Statements**

The financial statement are prepared under historical cost conversion, in accordance with the generally accepted accounting principles in Indian and the provisions of the Companies Act, 1956.

**c. Use of estimates.**

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon the management's best knowledge of

current events and actions, actual results could differ from these estimates. Uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**d. Tangible fixed assets.**

Fixed assets, acquired are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

**e. Depreciation on tangible fixed assets**

Depreciation on fixed assets is calculated pro rata from the date of addition using Straight Line Method (SLM) based upon the useful lives estimated by the management or those prescribed under the Schedule XIV to the Companies Act, 1956.

**f. Borrowing costs**

Borrowing cost includes interest. Borrowing costs directly attribute to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**g. Inventories**

Raw materials, components, store and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the site.

**h. Revenue Recognition**

Revenue from sale of products is recognized when practically all significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects central sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits following to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year. This usually occurs upon dispatch and collection of the receivable is reasonably certain.

Interest income is recognized on a time proportion basis, taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head 'other income' in the statement of profit and loss.

**i. Employee Benefits**

Liability for employee benefits, both short and long term, which are due as per the terms of employment, are recorded in accordance with Accounting Standard -15(Revised) "Employee Benefits" notified by the Companies (Accounting Standards) Rules,2006.

- a. In respect of Gratuity, the Company offers a non contributory defined benefit plan to its employees. Year end accrued liabilities of gratuity payable to employees are provided for Rs.5,11,035/- based on the liability as estimated by the management. This policy is not in accordance with the Revised Accounting Standard AS-15 "Employees Benefits".
- b. Contribution to Provident Fund and other recognized fund is charged to profit and loss account.
- c. Provision for Leave Encashment is not made as per Revised Accounting Standard AS-15 "Employees Benefits".

**j. Income Taxes**

**Current Tax**

Current tax is determined in accordance with the provisions of Income Tax Act, 1961.

**Deferred Tax**

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

**k. Segment reporting**

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. The company primarily operates in single business segment which is Steel Tube (Skelp, Black pipe and GI pipe), and accordingly there are no primary segments to be reported as per Accounting Standard 17 "Segment Reporting".

**l. Earning per share**

Basic earnings per equity share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period .

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**m. Foreign currency transactions**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

**Conversion**

Foreign currency monetary items are reported using the closing rate. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

**Exchange Difference**

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**n. Custom & Excise Duty**

Excise Duty on finished goods lying at the factory is accounted at point of sale or dispatch. Custom Duty on imported material lying in bonded warehouse is accounted for at the time of bonding materials.

**o. Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**p. Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be

confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the final statement.

**q. Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.

**r. Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance cost and tax expense.

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

**NOTES** Notes on Financial Statements for the Year ended 31st March, 2013

PARTICULARS	Amount in Rs. As at 31 st March	
	2014	2013
<b>2</b>		
<b><u>SHARE CAPITAL</u></b>		
<b><u>Authorized</u></b>		
98,50,000 Equity of Rs.10/- Each	98,500,000	98,500,000
15,000 Preference Shares of Rs.100/-Each	1,500,000	1,500,000
	<b>100,000,000</b>	<b>100,000,000</b>
<b>2.1</b>		
<b><u>Issued, Subscribed &amp; Paid Up Capital</u></b>		
4428207 equity shares of Rs 10/- each fully paid up.	44,282,070	44,282,070
<b>TOTAL</b>	<b>44,282,070</b>	<b>44,282,070</b>
<b>2.2</b>		
<b>The reconciliation of the number of shares outstanding is set out below</b>		
Equity shares at the beginning of the year	4,428,207	4,428,207
<b>Equity shares at the end of the year</b>	<b>4,428,207</b>	<b>4,428,207</b>
<b>2.3</b>		
<b>The detail of Shareholders holding more than 5% shares.</b>		
A J MENON	31.45%	31.45%
VINAY KUMAR GOYAL	10.29%	10.29%
PREMCHAND GOYAL	9.56%	9.56%
	<b>51.31%</b>	<b>51.31%</b>
<b>3</b>		
<b><u>RESERVES &amp; SURPLUS</u></b>		
<b>3.1</b>		
<b><u>SHARE PREMIUM</u></b>		
Share premium (Equity shares ) Opening balance	9,571,429	9,571,429
<b>TOTAL</b>	<b>9,571,429</b>	<b>9,571,429</b>
<b>3.2</b>		
<b><u>PROFIT AND LOSS ACCOUNT</u></b>		
Profit & Loss Account	(32,103,402)	(41,824,388)
Profit for the Year	6,289,471	9,720,986
<b>TOTAL</b>	<b>(25,813,931)</b>	<b>(32,103,402)</b>
<b>GRAND TOTAL</b>	<b>(16,242,502)</b>	<b>(22,531,973)</b>
<b>4</b>		
<b><u>LONG TERM BORROWING</u></b>		
<b><u>UNSECURED</u></b>		
Loan from Others (Corporate deposits)	28,072,738	35,222,738
Trade Deposit	130,000,000	160,000,000
Term loan from Central Bank of India	8,565,069	17,210,342
Secured by Hypothecation of Plant & Machinery, Fixtures,Electrical Items & Miscellaneous items purchased/to be purchased out of Term Loan		
<b>TOTAL</b>	<b>166,637,807</b>	<b>212,433,080</b>

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

PARTICULARS	Amount in Rs.	
	2014	2013
<b>5 DEFERRED TAX LIABILITY (NET)</b>		
Opening Balance	8,816,943	6,516,251
During the Year Expenses	1,322,434	2,300,692
<b>TOTAL</b>	<b>10,139,377</b>	<b>8,816,943</b>
<b>6 SHORT TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>Central Bank of India</b>	153,516,814	138,414,396
(Secured by Hypothecation of Stock in Trade, receivable , EM on Factory Land, Building , Plant & Machinery, all movable and immovable assets and personal guarantee of Managing Director of the company)		
<b>TOTAL</b>	<b>153,516,814</b>	<b>138,414,396</b>
<b>7 TRADE PAYABLES</b>		
Trade Payables Raw Material & General Purchase	96,884,960	69,542,699
Trade Payables for Services	1,779,639	1,528,644
<b>TOTAL</b>	<b>98,664,599</b>	<b>71,071,343</b>
<b>8 OTHER CURRENT LIABILITIES &amp; Provisions</b>		
Book OD from Bank	-	-
Advance from Customers	991,914	660,794
Outstanding Liabilities	9,124,583	23,014,516
Provision For Income Tax	1,771,600	39,100
Provision for Excise Duty on Closing Stock	861,521	3,341,798
<b>TOTAL</b>	<b>12,749,618</b>	<b>27,056,208</b>
<b>11 LONG TERM LOANS AND ADVANCES</b>		
Deposit with Govt/Semi Govt.Department & Others	9,696,289	9,766,289
<b>TOTAL</b>	<b>9,696,289</b>	<b>9,766,289</b>
<b>12 OTHER NON CURRENT INVESTMENTS</b>		
<b>INVESTMENT</b>		
National Savings Certificate	33,474	33,474
<b>TOTAL</b>	<b>33,474</b>	<b>33,474</b>
<b>13 INVENTORIES CERTIFIED BY THE MANAGEMENT)</b>		
Raw Material (Valued at cost FIFO method)	1,113,530	44,056,692
Finished Product (Valued at Cost or market value whichever is lower)	7,827,145	29,615,082
Stores(at cost)	21,189,322	25,950,000
Scrap ( at realizable value)	88,019	2,430,522
<b>TOTAL</b>	<b>30,218,016</b>	<b>102,052,296</b>
<b>14 TRADE RECEIVABLES</b>		
(Unsecured Considered Good)		
More than Six Month	3,319,868	2,560,109
Others	207,147,455	106,554,115
<b>TOTAL</b>	<b>210,467,323</b>	<b>109,114,224</b>

**FIXED ASSETS As on 31/03/2014**  
**NOTES-9**

*Amount in Rs.*

		GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	Rate %	Cost as on 01.04.2013	Additions During the Year	Deletion	Total As on 31.03.2014	As on 01.04.2013	For the Year	Deletion	Total As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
Land		2,428,588	-	-	2,428,588	-	-	-	-	2,428,588	2,428,588
Building	3.34%	103,629,032	4,020,785		107,649,817	22,898,310	3,493,369	-	26,391,679	81,258,138	80,730,722
Plant & Machinery	4.75%	122,723,593	3,937,584		126,661,177	54,709,588	5,938,860	-	60,648,448	66,012,729	68,014,005
Tools and equipments	4.75%	5,164,210		-	5,164,210	3,691,787	245,300	-	3,937,087	1,227,123	1,472,423
Office Equipment	4.75%	2,267,289	60,670	-	2,327,959	1,649,720	108,943	-	1,758,663	569,296	617,569
Furniture & fittings	6.33%	4,243,686		-	4,243,686	2,977,965	268,625	-	3,246,590	997,096	1,265,721
Refrigerator	4.75%	36,670		-	36,670	32,854	1,742	-	34,596	2,074	3,816
Airconditioner	4.75%	1,124,041		-	1,124,041	598,319	53,392	-	651,711	472,330	525,722
Vehicles	9.50%	3,016,949		-	3,016,949	3,016,949	-	-	3,016,949	-	-
Television	4.75%	159,873		-	159,873	118,126	7,594	-	125,720	34,153	41,747
Computer	16.21%	4,269,114	624,333		4,893,447	4,163,614	112,523	-	4,276,137	617,310	105,500
Communication Equipment	4.75%	352,977	18,800		371,777	125,077	17,288	-	142,365	229,412	227,900
<b>TOTAL</b>		<b>249,416,022</b>	<b>8,662,172</b>	<b>-</b>	<b>258,078,194</b>	<b>93,982,309</b>	<b>10,247,636</b>	<b>-</b>	<b>104,229,945</b>	<b>153,848,249</b>	<b>155,433,713</b>
NOTES-10 Capital Work in progress				-	-	-	-	-	-		-
		249,416,022	8,662,172	-	258,078,194	93,982,309	10,247,636	-	104,229,945	153,848,249	155,433,713
<b>PREVIOUS YEAR</b>		<b>214,039,689</b>	<b>56,076,359</b>	<b>20700026</b>	249,416,022	<b>85,094,373</b>	<b>8,887,937</b>		<b>93,982,310</b>	155,433,712	128,945,316

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)

PARTICULARS	Amount in Rs.	
	2014	2013
<b>15 CASH AND CASH EQUIVALENTS</b>		
Cash on hand	209,940	92,281
Balance with Bank :		
In current account	1,074,030	9,038,566
In Fixed Deposit	9,252,331	9,252,331
<b>TOTAL</b>	<b>10,536,301</b>	<b>18,383,178</b>
<b>16 OTHER CURRENT ASSETS</b>		
TDS Receivable	10,127,362	7,602,380
Service Tax Receivable	869,715	1,071,244
Accrued Interest on NSC & FD	667,321	754,556
ED Refund Receivable-Others	647,870	11,784,771
Balance with Central Excise	6,837,411	17,055,062
Other Receivables	4,272,879	5,450,980
<b>TOTAL</b>	<b>23,422,557</b>	<b>43,718,993</b>
<b>17 SHORT TERM LOANS AND ADVANCES</b> (Unsecured considered good, recoverable in cash or in kind or for value to be received)		
Advance to Suppliers	19,294,119	8,720,340
Advance to Staff	392,858	649,435
PREPAID EXPS	1,630,074	2,238,707
Advances and Deposits	10,208,523	29,431,419
<b>TOTAL</b>	<b>31,525,574</b>	<b>41,039,901</b>
<b>18 SALES &amp; OTHER INCOME:</b>		
<b>SALES (INDIGENOUS)</b>		
Sales Finished Goods	567,528,365	994,616,536
Sales Scrap	11,649,756	59,868,193
Job Work Receipt	91,181,572	35,707,153
Gross Sales	670,359,693	1,090,191,882
Less: Excise Duty	61,287,426	103,297,820
<b>Net Sales</b>	<b>609,072,267</b>	<b>986,894,062</b>
<b>18.1 SALES (EXPORT)</b>		
Gross Sales	6,923,334	171,565,481
Less: Excise Duty	-	-
<b>Net Sales</b>	<b>6,923,334</b>	<b>171,565,481</b>
<b>REVENUE FROM OPERATIONS NET</b>	<b>615,995,601</b>	<b>1,158,459,543</b>
<b>19 OTHER INCOME</b>		
Misc Receipts	742,712	22,948,089
Rent Received	180,000	180,000
Interest Received	7,134,687	1,155,496
Licence Income	-	894,710
Exchange Rate Fluctuation	4,000,482	-
Sundry Balances Written Back	-	833,403
<b>TOTAL OTHER INCOME</b>	<b>12,057,881</b>	<b>26,011,698</b>



**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)

PARTICULARS	Amount in Rs.	
	2014	2013
<b>20 RAW MATERIAL CONSUMED</b>		
Inventory at the beginning of the year	44,056,692	33,758,605
Purchases & Expenses	390,574,193	952,632,145
	<b>434,630,885</b>	<b>986,390,750</b>
Less: Inventory at the close of the year	1,113,530	44,056,692
<b>Material Consumed</b>	<b>433,517,355</b>	<b>942,334,058</b>
<b>21 CHANGE IN INVENTORIES OF FINISHED GOODS</b>		
<b>Inventory at the end of the year</b>		
Finished Goods	7,827,145	29615082
Scrap	88,019	2,430,522
<b>TOTAL</b>	<b>7,915,164</b>	<b>32,045,604</b>
<b>Inventory at the beginning of the year</b>		
Finished Goods	29,615,082	856,451
Scrap	2,430,522	1,600,027
<b>TOTAL</b>	<b>32,045,604</b>	<b>2,456,478</b>
<b>Increase / Decrease in Stock (A)</b>	<b>(24,130,440)</b>	<b>29,589,126</b>
<b>EXCISE DUTY</b>		
Opening	3,341,798	216,838
Closing	861,521	3,341,798
<b>Change in Excise Duty (B)</b>	<b>2,480,277</b>	<b>(3,124,960)</b>
<b>Change in inventories of finished goods (A+B)</b>	<b>(21,650,163)</b>	<b>26,464,166</b>
<b>22 PAYMENT TO EMPLOYEES</b>		
Salary & Bonus	33,719,807	44,375,183
PF Companies Contribution	977,485	1,292,245
ESI Companies Contribution	786,248	1,073,116
Staff Welfare	1,006,107	1,863,120
Gratuity	511,035	487,500
<b>TOTAL</b>	<b>37,000,682</b>	<b>49,091,164</b>
<b>23 OTHER EXPENSES</b>		
Labour Charges	1,329,218	10,370,368
Power & Fuel	32,079,906	56,982,435
Stores Consumed	17,582,483	28,077,996
Machinery Maintenance	786,681	912,386
Others	577,464	668,234
Hire Charges	554,017	223,612
Testing & Inspection	69,564	65,509
Security Services	692,002	655,391
<b>Total Manufacturing Expenses (A)</b>	<b>53,671,335</b>	<b>97,955,931</b>

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

PARTICULARS	Amount in Rs.	
	2014	2013
Directors Traveling expenses	-	114,702
Travel & Conveyance	2,593,479	2,531,405
Printing & Stationery	474,208	496,262
Telex & Telephone Exps	583,601	746,508
Postage & Telegraph	224,775	99,592
Fees, Membership and Subscription	569,254	87,422
Insurance	574,441	678,714
Director Remuneration	2,296,800	1,779,562
Rent, Rates & Taxes	3,722,573	8,735,488
Electricity Charges	277,979	446,754
Professional & Consulting Fees	874,092	1,582,205
Legal exps	54,000	354,550
License Fees	1,313,053	223,926
Books & periodicals	-	3,880
Donation	217,820	814,100
General Exps	853,413	475,460
Repair-General	875,039	742,813
Computer Charges	64,156	77,439
Audit Fees	180,000	180,000
Internal Audit Fees	50,000	50,000
Filing & Listing fees	67,805	62,219
Sundry Balances Written off	1,294,414	-
Office Exp	503,843	798,424
Penalty	-	5,750
Gifts & presents	11,110	204,607
Exchange rate fluctuation	-	8,237,000
<b>Total Administrative expenses (B)</b>	<b>17,675,855</b>	<b>29,528,782</b>
Advertisement	144,914	59,476
Sales Promotion	-	248,691
Brokerage & Commission	627,398	3,713,838
Freight Charges	14,248,234	34,312,594
Job Work expenses	2,444,461	729,819
Round Off	660	1,612
Sales Discount	208,480	-
<b>Total Selling and distribution expenses (C)</b>	<b>17,674,147</b>	<b>39,066,030</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>89,021,337</b>	<b>166,550,743</b>
<b>24 DEPRECIATION &amp; AMORTIZATION</b>		
Depreciation on tangible assets	10,247,636	8,887,937
Amortization of Intangible Assets	-	-
<b>TOTAL</b>	<b>10,247,636</b>	<b>8,887,937</b>
<b>25 Financial expenses</b>		
Bank Charges	2,050,315	2,433,257
Interest Bank	19,911,568	15,689,872
Interest-Others	5,310,021	13,887,601
<b>TOTAL</b>	<b>27,271,904</b>	<b>32,010,730</b>
<b>26 DEFERRED TAX</b>		
Deferred Tax for the year	1,322,434	2,300,692
<b>TOTAL</b>	<b>1,322,434</b>	<b>2,300,692</b>

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

PARTICULARS	Amount in Rs.	
	2014	2013
<b>27 EARNINGS PER SHARE</b>		
The following reflects the profit and share data used in the basic and diluted EPS computations		
Profit after Tax	6,289,471	9,720,985
Net Profit for EPS calculation	6,289,471	9,720,985
Weighted average number of shares outstanding during the year (Nominal value of Rs.10/-per share each) in absolute numbers	4,428,207	4,428,207
Basic and diluted earning per share	<b>1.42</b>	<b>2.20</b>
<b>28 CONTINGENT LIABILITIES</b>		
<b>(i) On account of pending appeals of Central Excise</b>	38,051,782	38,051,782
<b>a)</b> Job work incorrect adoption of value vide ref:V/73/15/61/2004-CXADJ/8/02/05 for Rs.20226475/-		
<b>b)</b> Wrong availment of Cenvat credit vide ref.V/73/15/100/2005-CX ADJ/25/01/06 for Rs.16506601/-		
<b>c)</b> Removal of waste & scrap without payment of duty vide ref: V/Ch.73/15/55/2006-CX ADJ/29/01/09 for Rs.1318706/-		
<b>(ii)</b> Non Filing of ER-6 Return for the Year 2012-13 V/Ch.73/15/27/2013 CX.Adj dt.14/08/13	-	-
<b>(iii)</b> Electricity tax on electricity bill Pondy Rs.13.10 lacs	1,310,000	1,310,000
<b>(iv)</b> LC Outstanding as on 31.03.14	34,983,123	
<b>29 SEGMENT REPORTING</b>		
As per information given to us and to the best of our knowledge company is only manufacturing of Skelp, MS Pipes & GI Pipes therefore segment reporting in this case is not applicable.		
<b>30 RELATED PARTY DISCLOSURE</b>		
<b>30.1 Nature of Relationship</b>		
<b>Key Managerial Person</b>		
i) Holding Company	NIL	NIL
ii) Subsidiaries	NIL	NIL
<b>iii) Key Managerial Personnel</b>		
Mr VinayGoyal (Managing Director)		
Mr S.N Seshadri (Whole time Director)		
Mr.Ram Kishan Yadav (Whole time Director)		
<b>30.2 Nature of Transaction</b>		
<b>Directors Remuneration</b>		
Mr VinayGoyal (Managing Director)	1,800,000	1,500,000
Mr S.N Seshadri (Whole Time Director)	275,472	238,766
Mr.Ram Kishan Yadav	221,328	40,796
<b>TOTAL</b>	<b>2,296,800</b>	<b>1,779,562</b>
<b>31 Auditors Remuneration</b>		
Audit Fees	125,000	125,000
Tax Audit Fees	25,000	25,000
IT Return and Other Matters	30,000	30,000
<b>TOTAL</b>	<b>180,000</b>	<b>180,000</b>
<b>32.1 IMPORTED &amp; INDIGENOUS RAW MATERIALS CONSUMED</b>		
Imported	-	
Indigenous	433,517,355	942,334,058
<b>TOTAL</b>	<b>433,517,355</b>	<b>942,334,058</b>

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)

PARTICULARS	Amount in Rs. As at 31 st March	
	2014	2013
<b><u>Percentage of consumption</u></b>		
Imported	0.00%	0.00%
Indigenous	100.00%	100.00%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>
<b>32.2 <u>DETAILS OF IMPORTED &amp; INDIGENOUS RAW MATERIALS CONSUMED</u></b>		
M S BILLET	-	392,447,452
H R COIL	345,369,994	133,519,689
G P COIL	33,950,325	321,680,836
ZINC	54,150,725	94,686,081
Indigenous 100 %	<b>433,471,044</b>	<b>942,334,058</b>
<b>33 <u>EARNINGS AND EXPENSES IN FOREIGN CURRENCY</u></b>		
Earnings in Foreign Currency (Export Sales for FY 2013-14 Rs /- & for F Y 2012-13 Rs /-)	-	USD 1,05,683
Expenses in Foreign Currency	-	-
<b>33.1</b> Total Export is deemed exports of Rs.78,11,363/-		
<b>34 <u>Other Receivable included the following</u></b>		
Insurance Claim Receivable	4,272,874	5,450,980
Job work Income Receivable	-	-
License on hands	-	-
<b>TOTAL</b>	<b>4,272,874</b>	<b>5,450,980</b>
<b>35 <u>Detail of finished goods</u></b>		
<b>35.1</b> Purchase of stock in trade	-	-
<b>35.2</b> Sale of finished goods ( Black Pipes & GI Pipes)	567,528,365	994,616,536
<b>35.3</b> Closing stock of finished goods		
Opening	29,615,082	856,451
Closing	7,827,145	29,615,082
<b>36 <u>GENERAL</u></b>		
a) Balance in Sundry Debtors/ Creditors and advances are subject to confirmation		
b) Previous Year's Figures have been re-arranged and re-grouped wherever necessary.		
c) Tax deducted at source from the payment to contractors, Professional charges, Comission, intrest and Salaries have been deposited.		
d) In view of insufficient information from the suppliers regarding their status as SSI units the amount due to small scale Industrial Undertakings cannot be ascertained.		

**SIGNATURE TO NOTES ON FINANCIAL STATEMENTS 2 TO 36**

As per our report of even date annexed

for **ABHAY JAIN & CO.,**  
Chartered Accountants

**A.K. JAIN**  
Partner  
M.No. 70224

for and on behalf of the Board

Sd/- Sd/-  
**VINAY GOYAL (S.N.SESHADRI)**  
Managing Director Whole time Director

Place : Chennai  
Date : 30.05.2014

**CRIMSON METAL ENGINEERING COMPANY LIMITED**  
**(Formerly known as SRI SAARBATI STEEL TUBES LIMITED)**

## IMPORTANT

Company's shares are listed in Bombay Stock Exchange and can be traded. Company has obtained ISIN from CDSL and NSDL. Now shares can be demated and traded, shareholders can approach their DP for demating their shares.

ISIN NO: INE318P01016

BSE SCRIPT CODE : 526977

Date :

Dear Sir / Madam

Pursuant to the Green Initiative in the Corporate Governance initiated by the Ministry of Corporate Affairs (MCA) vide its circular dated 21/4/2011, your company has proposed to send the Notice / Annual Report / documents through electronic mode to our shareholders.

This, you will appreciate, would facilitate fast, secured communication and contribute towards improved environment.

Kindly arrange to send the following details to our above address duly signed, which will be considered by us for sending the future communication through Email.

<b>Company Name</b>	Crimson Metal Engineering Ltd
Folio No.	
Name (1 <sup>st</sup> / Sole Holder)	
Email ID	
Mobile Number	
Pan (Optional)	

In case if you are holding the shares in electronic mode, you may kindly register / update your correct email id with your DP, so that the future communication can be sent through the same.

Signature of the Shareholder

Thanking You,

Yours truly,  
For CRIMSON METAL ENGINEERING LIMITED

# CRIMSON METAL ENGINEERING LIMITED

CIN: L27105TN1985PLCO11566

Regd. Office : 163/1, Prakasam Road, II Floor, Chennai -600 108.

## ATTENDANCE SLIP

I hereby record my presence at the Thirtieth Annual General Meeting of the Company to be held on Monday, the 29th day of September 2014 At 10:00 a.m. at Andhra Chamber of Commerce 23, 3rd Cross Street, Chennai-3

Full Name of the Member attending / Proxy

Folio No./DP.ID/CL.ID

No. of Shares held.

\_\_\_\_\_  
Signature of the member / proxy  
Name :

### NOTE:

Members attending the meeting in person are requested to complete the attendance slip and hand it over at the entrance of the meeting hall. No attendance slip will be issued at the time of Meeting.



Tear Here



# CRIMSON METAL ENGINEERING LIMITED

CIN: L27105TN1985PLCO11566

Regd. Office : 163/1, Prakasam Road, II Floor, Chennai -600 108.

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L27105TN1985PLCO11566  
Name of the company: Crimson Metal Engineering Company Limited  
Registered office: 163/1 Prakasam Road Broadway Chennai.600108

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) holding ..... shares of the above named company, hereby appoint

1. Name:

2. Name:

Address:

Address:

E-mail Id:

E-mail Id:

Signature:....., or failing him

Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual general meeting, to be held on Monday, the 29th day of September 2014 At 10:00 a.m. at Andhra Chamber of Commerce 23, 3<sup>rd</sup> Cross Street, Chennai-3 and at any adjournment thereof in respect of such resolutions as are indicated below:

### Resolution No.

1. Consider and adopt the Audited Statements of Account for the year ended 31st March, 2014 and the Reports of Directors and the Auditors thereon.
2. Re-appointment of Mr. Narayanamurthy Seshadri who retires by rotation as a whole time Director
3. Appointment of M/s. Abhay Jain & Co. Chartered Accountants as statutory auditors and fixing their remuneration.
4. Appointment of Mr. Janarthanan Atashary Karunakaran Nayar, as an Independent Director.
5. Appointment of Shri. Ramaiyengar Chari as an Independent Director.
6. Appointment of Shri. Mahabir Singh Sehrawat as an Independent Director.
7. Appointment of Shri. Krishan Chand Batra as an Independent Director.
8. Approval for borrowing money.
9. Authorisation to mortgage and/or charge the whole or substantially the whole of the undertaking.
10. Adoption of new Articles of Association

Signed this..... day of..... 2014

Affix One  
Rupee  
Revenue  
Stamp

Signature of shareholder

Signature of Proxy holder(s)

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**REGISTERED BOOK - POST  
PRINTED MATTER**

Printed by Image Security Printers © : 2661 3011, 2661 4072.

**To**

**If undelivered Please return to :**

**CRIMSON METAL ENGINEERING COMPANY LIMITED  
Regd. Office : 163/1, Prakasam Road,  
K.Sons Complex, II Floor,  
Chennai - 600 108.**